

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7025

BILL NUMBER: SB 213

NOTE PREPARED: Dec 29, 2010

BILL AMENDED:

SUBJECT: Courts and Court Officers.

FIRST AUTHOR: Sen. Bray

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. It allows the judge of the Allen Circuit Court to appoint a second full-time magistrate.
- B. It removes the judge's authority to appoint a hearing officer: (1) who has the powers of a magistrate; and (2) whose salary is paid by the county.
- C. It adds a third judge to the Bartholomew Superior Court as of January 1, 2013.
- D. It allows the judges of the Hamilton Superior Court to jointly appoint a third magistrate.
- E. It adds a fourth judge to the Johnson Superior Court as of January 1, 2015.
- F. It allows the judges of the Warrick Circuit and Superior Courts to jointly appoint a magistrate.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2011.

Explanation of State Expenditures: The full effect of this bill on state expenditures will not occur until after FY 2016, when a fourth superior court in Johnson County will be in full effect. Additional state expenditures are estimated to be \$402,603 beginning in FY 2012 and increasing to \$730,929 by FY 2016.

Background Information-

The salary of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly could increase the amount specified in statute.
- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased.

The following table projects these expenditures assuming that salaries are not increased between FY 2011 and 2016.

New Positions Created						
Provision	Effective Date	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
Allen Co. Magistrate	1-Jul-2011	\$134,201	\$134,201	\$134,201	\$134,201	\$134,201
Bartholomew Superior Court #3	1-Jan-2013		\$82,082	\$164,163	\$164,163	\$164,163
Hamilton County Magistrate	1-Jul-2011	\$134,201	\$134,201	\$134,201	\$134,201	\$134,201
Johnson Superior Court #4	1-Jan-2015				\$82,081	\$164,163
Warrick County Magistrate	1-Jul-2011	\$134,201	\$134,201	\$134,201	\$134,201	\$134,201
Total		\$402,603	\$484,685	\$566,766	\$648,847	\$730,929

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for these persons will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2011. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates		
Benefits	Judges	Magistrates
Salary	\$125,648	\$100,518
Life Insurance	\$362	\$362
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,612	\$7,690
Retirement	\$11,685	\$9,348
Disability Insurance	\$2,865	\$2,292
Health, Dental, and Vision (blended rate)	\$12,991	\$12,991
Total Cost Per Judicial Officer	<u>\$164,163</u>	<u>\$134,201</u>

Explanation of State Revenues:

Explanation of Local Expenditures: *Effect on Allen County* – Allen County would save an estimated \$20,780 in CY 2011 and \$41,560 in each subsequent year based on current salaries of magistrates. Allen County currently pays a hearing officer the same salary that magistrates receive, with a different mix of benefits. Consequently, Allen County will be relieved of paying for both the salary and the fringe benefits of a hearing officer.

Allen County is also reimbursed for 66% of the salary of the hearing officer from federal Title IV-D monies

for child support enforcement.

The following shows Allen County's savings if Allen County no longer pays the hearing officer.

	CY 2011	CY 2012	CY 2013
Salary	\$50,259	\$100,518	\$100,518
County Supplement	\$2,000	\$4,000	\$4,000
FICA	\$3,998	\$7,996	\$7,996
PERF*	\$4,860	\$9,720	\$9,720
Total Costs	\$61,117	\$122,234	\$122,234
Reimbursement at 66%	\$40,337	\$80,675	\$80,675
Net cost to Allen County	\$20,780	\$41,560	\$41,560
*Source: Allen Circuit Court			

Effect on Bartholomew County – Bartholomew County would save an estimated \$11,192 annually on this part-time position. The Title IV-D commissioner receives \$33,577 annually, with a federal reimbursement for two-thirds of this salary. Consequently, Bartholomew County's current net expenditure for this position is \$11,192 ($\$33,577 \times 1/3$).

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration, Indiana Supreme Court; Indiana Judicial Center.

Local Agencies Affected: Allen, Bartholomew, Hamilton, Johnson, and Warrick Counties.

Information Sources: Division of State Court Administration.

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